

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name BARK RIVER TOWNSHIP	County DELTA
Fiscal Year End MARCH 31, 2006	Opinion Date JUNE 9, 2006	Date Audit Report Submitted to State AUGUST 28, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☒ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>	NO C/R LETTER ISSUED		
Other (Describe) <i>GAO REPORT ON CONTROL & COMPLIANCE</i>	<input checked="" type="checkbox"/>			
Certified Public Accountant (Firm Name) SCHNEIDER, LARCHE, HAAPALA AND COMPANY, PLLC		Telephone Number 906-786-6151		
Street Address 401 LUDINGTON ST		City ESCANABA	State MI	Zip 49829
Authorizing CPA Signature <i>Bruce D Dewar</i>		Printed Name BRUCE D DEWAR		License Number 11278 (11010)



*Schneider, Larche,
Haapala & Co., PLLC*

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

David P. Pechauer, C.P.A., P.C.

Denise M. Boyle, C.P.A., P.C.

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Karon L. Meiers, C.P.A., P.C.

June 9, 2006

Township Board
Township of Bark River
Delta County, Michigan

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information for the Township of Bark River, Michigan as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 9, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Township of Bark River's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Bark River's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the Township Board, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Schneider Lantz Higgins & Company P.C.
Certified Public Accountants

FINANCIAL STATEMENTS

TOWNSHIP OF BARK RIVER

Delta County, Michigan

For the year ended March 31, 2006

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March 31, 2006

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Schneider, Larche,
Macpata & Co., PLLC

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Karen L. Malen, C.P.A., P.C.

June 9, 2006

Township Board
Township of Bark River
Delta County, Michigan

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Bark River, Michigan as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major funds and the aggregate remaining fund information of the Township of Bark River, Michigan as of March 31, 2006, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2006, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information of pages 3 through 7 and 25 through 26 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The accompanying other supplemental information, as listed in the accompanying table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Schneider-Harbo-Hyola, Company LLC
Certified Public Accountants

**TOWNSHIP OF BARK RIVER
DELTA COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS
March 31, 2006**

This discussion and analysis of the Township's financial position and activities is presented as of and for the year ended March 31, 2006. The information presented should be read in conjunction with the Townships financial statements that follow.

The discussion and analysis is intended to assist the readers understanding of the financial statements by highlighting summarized financial data, activities, trends and other related information.

ANNUAL REPORT

The Township annual report consists of three main financial information components as follows:

- Basic financial statements
- Required supplemental information
- Other supplemental information

Basic Financial Statements - The basic financial statements present government - wide financial statements that provide information about the Township's financial condition and activities as a whole. The government - wide financial statements provide data relating to the long-term nature of the Township's operations by reporting all Township assets and liabilities that will provide or require financial resources in the future and the Township's investment in property and equipment.

In addition, the basic financial statements present fund financial statements that provide information about the significant individual funds of the Township. The basic financial statements also include footnote disclosures necessary to provide additional information regarding the basic financial statements and other significant issues regarding the Township's financial position and activity.

Required Supplemental Information - Required supplemental information is not a part of the basic financial statements but is an important part of the annual report. The primary financial information contained herein is budgetary information of the Township's General Fund and other major special revenue funds.

Other Supplemental Information - Other supplemental information provides additional financial information regarding nonmajor funds of the Township and budgetary information not included as required supplemental information.

**TOWNSHIP OF BARK RIVER
DELTA COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS (Continued)
March 31, 2006**

FINANCIAL HIGHLIGHTS

Financial highlights discussed below include the following items:

- Government-wide financial information
- Governmental funds financial information
- Other information

Government - wide Financial Information - The net assets of the Township as a whole for the year ended March 31, 2006 decreased by \$24,460 to \$1,121,135. A comparison of net assets as of March 31, 2006 and 2005 are as follows:

	<u>2006</u>	<u>2005</u>
Cash	\$ 252,817	\$ 277,668
Receivables	<u>36,284</u>	<u>33,555</u>
Total noncapital assets	289,101	311,223
Capital assets, net	<u>1,307,796</u>	<u>1,324,108</u>
Total assets	<u>1,596,897</u>	<u>1,635,331</u>
Current liabilities and deferred revenues	39,708	35,946
Long-term debt	<u>436,054</u>	<u>453,790</u>
Total liabilities	<u>475,762</u>	<u>489,736</u>
Net assets	<u>\$1,121,135</u>	<u>\$1,145,595</u>

Net assets are categorized as follows:

Invested in capital assets, net of related debt	\$ 871,742	\$ 870,318
Restricted net assets	85,698	82,181
Unrestricted net assets	<u>163,695</u>	<u>193,096</u>
	<u>\$1,121,135</u>	<u>\$1,145,595</u>

**TOWNSHIP OF BARK RIVER
DELTA COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS (Continued)
March 31, 2006**

Government - wide Financial Information (Continued)

Significant revenues and expenditures on a government-wide basis are as follows for the years ending March 31, 2006 and 2005:

Revenues:	<u>2006</u>		<u>2005</u>	
Program:		<u>%</u>		<u>%</u>
Charges for services	\$ 36,187	11	\$ 29,799	10
Grants and contributions	82,582	25	31,270	11
General:				
Taxes	81,021	25	82,655	30
State revenue sharing	120,888	37	121,863	44
Other	<u>8,565</u>	<u>2</u>	<u>14,945</u>	<u>5</u>
	\$ <u>329,243</u>	<u>100%</u>	\$ <u>280,532</u>	<u>100%</u>
Expenditures:				
General operations	\$ 142,554	40	\$ 126,992	44
Public safety	60,219	17	61,413	21
Public works	77,474	22	25,844	9
Recreation	23,736	7	21,739	8
Interest expense	21,440	6	23,904	8
Other expenditures	<u>28,280</u>	<u>8</u>	<u>27,839</u>	<u>10</u>
	\$ <u>353,703</u>	<u>100%</u>	\$ <u>287,731</u>	<u>100%</u>
Change in Net Assets	(\$ <u>24,460</u>)		(\$ <u>7,199</u>)	

Revenues reported for the year ended March 31, 2006 included nonrecurring capital grants of approximately \$30,000. Revenues for the year ended March 31, 2007 are currently projected to approximate revenues recorded for the year ended March 31, 2006, net of nonrecurring capital grants.

Expenditures for the year ended March 31, 2006 were reasonably comparable to prior year with the exception of recorded road contract expenditures. Total road contract expenditures for the years ended March 31, 2006 and 2005 were \$67,808 and \$10,430, respectively. Expenditures for the year ended March 31, 2006 are expected to remain relatively constant with 2006.

**TOWNSHIP OF BARK RIVER
DELTA COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS (Continued)
March 31, 2006**

Governmental Funds Financial Information - As discussed in the basic financial statements, the basis of presentation and the basis of accounting used in preparing the government-wide and governmental funds financial statements are different. Accordingly, the governmental funds information presented below will differ from the government-wide information presented above.

The fund balances of the governmental funds of the Township decreased by \$27,502 to \$239,696. Cash balances of the governmental funds decreased by \$24,851 to \$252,817.

Revenues and expenditure comparisons with the prior year are as follows:

	<u>2006</u>	<u>2005</u>
Total Revenues		
General fund	\$ 229,025	\$ 233,975
Other funds	98,594	60,465
Total Expenditures		
General fund	279,759	268,190
Other funds	<u>75,362</u>	<u>54,346</u>
Change in fund balances	(\$ <u>27,502</u>)	(\$ <u>28,096</u>)

Revenues and expenditures in 2006 included nonrecurring capital grants of approximately \$30,000.

**TOWNSHIP OF BARK RIVER
DELTA COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS (Continued)
March 31, 2006**

Other Information

Debt Service - The Township made principal payments on long-term debt totaling \$17,736. Total outstanding debt as of March 31, 2006 was \$436,054. The principal and interest debt service requirement for the next fiscal year are \$18,490 and \$20,485, respectively.

Capital Outlay - The Township purchased capitalized equipment totaling \$37,405 during the year. The Township's total investment in property and equipment totaled \$1,663,204 as of March 31, 2006. No significant capital expenditures are projected for the next fiscal year.

Sewer Project - In June, 2004, the Township received verbal commitment for the funding of the planned sewer system to be installed in the Township. The estimated project cost of approximately \$4,579,000 will be funded by federal grants of \$2,597,000, a state grant of \$1,000,000 and federal loans totaling \$1,000,000.

TOWNSHIP OF BARK RIVER

STATEMENT OF NET ASSETS

March 31, 2006

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets:	
Cash and certificates of deposit	\$ 252,817
Taxes receivable	7,942
Due from other governments	<u>28,342</u>
TOTAL CURRENT ASSETS	289,101
Noncurrent Assets:	
Capital assets, net of accumulated depreciation	<u>1,307,796</u>
TOTAL ASSETS	\$ <u>1,596,897</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable and accrued expenses	\$ 26,979
Current portion of noncurrent liabilities	18,490
Deferred revenues	<u>12,729</u>
TOTAL CURRENT LIABILITIES	58,198
Noncurrent Liabilities:	
Noncurrent portion of bonds payable	288,300
Noncurrent portion of notes payable	<u>129,264</u>
TOTAL LIABILITIES	<u>475,762</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	871,742
Restricted:	
Nonexpendable	38,315
Debt service	33,866
Other purposes	13,517
Unrestricted	<u>163,695</u>
TOTAL NET ASSETS	<u>1,121,135</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>1,596,897</u>

See accompanying notes to financial statements.

STATEMENT OF ACTIVITIES

Net (Expense)
Revenue and
Changes in
Net Assets

General Revenues:

- Property taxes
- State sources not restricted
- Interest income
- Contributions to permanent funds principal
- Other revenue

Change in net assets
Net assets, beginning of year

Net assets, end of year

See accompanying notes to financial statements.

TOWNSHIP OF BARK RIVER

GOVERNMENTAL FUNDS BALANCE SHEET

March 31, 2006

ASSETS

Cash and certificates of deposit	\$ 66,395	\$ 36,257	\$ 41,208	\$ 33,016	\$ 38,719	\$ 37,222	\$ 252,817
Taxes receivable	5,673	2,269	-	-	-	-	7,942
Due from other governments	<u>28,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,342</u>
TOTAL ASSETS	\$ 100,410	\$ 38,526	\$ 41,208	\$ 33,016	\$ 38,719	\$ 37,222	\$ 289,101

LIABILITIES

Accounts payable	\$ 19,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,750
Deferred revenue	<u>14,657</u>	<u>2,269</u>	<u>12,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,655</u>
TOTAL LIABILITIES	34,407	2,269	12,729	-	-	-	49,405

FUND BALANCES

Reserved for:							
Permanently nonexpendable	-	-	-	-	38,315	-	38,315
Debt service	-	36,257	-	-	-	-	36,257
Other purposes	-	-	-	-	404	13,113	13,517
Unreserved	66,003	-	28,479	33,016	-	-	127,498
Unreserved nonmajor funds:							
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,109</u>	<u>24,109</u>
TOTAL FUND BALANCES	66,003	36,257	28,479	33,016	38,719	37,222	239,696

TOTAL LIABILITIES AND

FUND BALANCES	\$ 100,410	\$ 38,526	\$ 41,208	\$ 33,016	\$ 38,719	\$ 37,222	\$ 289,101
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See accompanying notes to financial statements.

TOWNSHIP OF BARK RIVER

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS**

March 31, 2006

Total fund balances per governmental funds balance sheet \$ 239,696

Amounts reported for governmental activities
in the statement of net assets are different because:

Capital assets are not reported in the governmental funds
balance sheet because they are not current financial resources,
but they are reported in the statement of net assets. 1,307,796

Certain receivables are deferred in the governmental funds
balance sheet because they are not available to pay current period
expenditures, but they are not deferred in the statement of net assets. 16,926

Certain liabilities and long-term obligations are not reported in the
governmental funds balance sheet because they are not due and
payable, but they are presented in the statement of net assets. (443,283)

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,121,135

See accompanying notes to financial statements.

TOWNSHIP OF BARK RIVER

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the year ended March 31, 2006

	General Fund	Fire Hall Debt Fund	Casino Revenue Fund	Fire Equipment Fund	Cemetery Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 56,706	\$ 22,824	\$ -	-	-	\$ -	\$ 79,530
State sources	125,510	-	-	-	-	4,283	129,793
Local sources	14,300	-	59,244	-	-	-	73,544
Charges for services	5,360	-	-	-	1,500	3,700	10,560
Interest and rentals	22,241	-	443	791	547	497	24,519
Other	4,908	-	-	-	-	4,765	9,673
TOTAL REVENUES	229,025	22,824	59,687	791	2,047	13,245	327,619
Expenditures:							
Legislative	29,528	-	-	-	-	-	29,528
General government	92,168	-	-	-	-	23,206	115,374
Public safety	14,553	-	-	-	-	32,034	46,587
Public works	77,474	-	-	-	-	-	77,474
Recreation and culture	18,708	-	-	-	-	-	18,708
Debt service	19,048	20,122	-	-	-	-	39,170
Other	28,280	-	-	-	-	-	28,280
TOTAL EXPENDITURES	279,759	20,122	-	-	-	55,240	355,121
Excess of Revenues (Expenditures)	(50,734)	2,702	59,687	791	2,047	(41,995)	(27,502)
Other Financing Sources (Uses):							
Transfers in	21,955	-	-	-	-	43,407	65,362
Transfers out	(24,700)	-	(39,662)	-	(1,000)	-	(65,362)
TOTAL OTHER							
FINANCING SOURCES (USES)	(2,745)	-	(39,662)	-	(1,000)	43,407	-
Change in Fund Balances	(53,479)	2,702	20,025	791	1,047	1,412	(27,502)
Fund Balances, beginning of year	119,482	33,555	8,454	32,225	37,672	35,810	267,198
Fund Balances, end of year	\$ 66,003	\$ 36,257	\$ 28,479	\$ 33,016	\$ 38,719	\$ 37,222	\$ 239,696

See accompanying notes to financial statements.

TOWNSHIP OF BARK RIVER

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO
THE STATEMENT OF ACTIVITIES**

For the year ended March 31, 2006

Net change in total fund balances per governmental fund financial
statement of revenues, expenditures, and changes in fund balances (\$ 27,502)

Amounts reported for governmental activities in the statement
of activities is different because:

Capital outlays are reported as expenditures in the governmental
funds financial statement because they use current financial
resources, but they are depreciated over their estimated economic
lives in the statement of activities. The amount of current year
depreciation in excess of current year capital outlays. (16,312)

Revenues that are not available to pay current obligations are
not reported in the governmental funds financial statement,
but they are presented in the statement of activities. 1,624

Repayment of debt is shown as an expenditure in the governmental
funds financial statement but is not reported in the statement
of activities. 17,736

Expenditures recognized in the governmental funds financial
statement are generally limited to those that use current financial
resources, but expenses are recognized in the statement
of activities when they are incurred. (6)

Change in net assets of governmental activities (\$ 24,460)

See accompanying notes to financial statements.

TOWNSHIP OF BARK RIVER

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Bark River have been prepared in accordance with generally accepted accounting principles in the United States of America as applicable to governmental entities. A summary of the significant accounting policies followed in the preparation of the financial statements are presented below.

A) Reporting Entity - The Township of Bark River's financial statements present the Township as the primary government. The Township does not have any component units.

B) Basic Financial Statements - The Township's basic financial statements are comprised of the following four components:

- 1) Government-wide financial statements
- 2) Governmental funds financial statements
- 3) Fiduciary funds financial statements
- 4) Notes to the financial statements

- 1) Government-wide financial statements report information on all of the nonfiduciary activities of the Township. The effect of interfund activity has generally been removed from these statements.

The Statement of Net Assets displays the assets, liabilities and net assets of the Township as a whole. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Program revenues include user fees and grants and contributions restricted for specific operational or capital acquisition purposes. Taxes, unrestricted state grants and other revenues not properly reported as program revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWNSHIP OF BARK RIVER

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 2) Governmental funds financial statements report on the individual governmental funds of the Township. Major governmental funds are reported on separately and nonmajor funds are reported on as a group.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenue sources meeting the availability criteria include state shared revenues. Various receivables and grant reimbursements collected after the period of availability would be recorded as deferred revenues.

Expenditures generally are recorded when a liability is incurred. Expenditures not normally paid from currently available resources are recorded when payment is due. Examples of expenditures recorded when due would include debt service expenditures, expenditures relating to compensated absences, and claims and judgements.

The individual governmental funds are each considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Township's governmental funds can be classified into four specific fund types. The specific fund types, purposes and the actual funds maintained by the Township, are as follows:

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources and transactions not properly or legally accounted for in another of the Township's funds.

TOWNSHIP OF BARK RIVER

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds - The Township's special revenue funds are used to account for proceeds of specific revenue sources or to finance specific activities as required by law or administration regulations. The following special revenue funds are maintained by the Township:

Major Funds:

- Casino Revenue Fund
- Fire Equipment Fund

Nonmajor Funds:

- Liquor Law Enforcement Fund
- Municipal Building Fund
- Cemetery Operations Fund
- Fire Operations Fund
- Road Fund

The Casino Revenue Fund is used to account for grant funds received from the casino located in the Township. The Fire Equipment Fund is used to account for resources set aside by the Township Board for fire equipment acquisitions, including debt service on related debt.

Debt Service Fund - The Township's debt service fund is used to account for the accumulation of cash resources for debt retirement and for the payment of principal and interest on long-term debt not paid through the General Fund. The only debt service fund maintained by the Township is the Fire Hall Debt Fund, which is reported on as a major fund.

Permanent Fund - The Township's permanent fund is used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support activities that benefit the Township's citizens. The only permanent fund maintained by the Township is the Cemetery Trust Fund, which is reported on as a major fund.

- 3) Fiduciary fund financial statements are used to report assets held in a trustee or agency capacity for others and are not available to support general Township programs. The fiduciary funds are excluded from the government-wide financial statements. Fiduciary funds use the accrual basis of accounting. The Township's fiduciary funds are both agency funds, the Current Tax Collection Fund and the Trust and Agency Fund. The Agency funds had no assets or liabilities as of March 31, 2006.

TOWNSHIP OF BARK RIVER

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 4) Notes to the financial statements provide information to the reader that is considered critical to the readers understanding of the financial statements and the Township's financial position and activities. The disclosures provide information that generally cannot be determined by a reading of the other sections of the financial statements.

C) Budgets - The Township prepares and adopts budgets on a cash basis. Unexpended appropriations lapse at the end of the fiscal year. The Township's General Fund expenditure budget is adopted at the activity level. The Township also adopts special revenue and debt service fund budgets, which adopt expenditures at the account level. The Township Supervisor is responsible for the preparation and monitoring of the budget. The Township Board is responsible for the approval of the original budgets and any subsequent amendments.

D) Net Assets/Fund Balances Terminology - The nonexpendable portion of net assets/fund balances is permanently restricted (reserved) and not available for expenditure for Township purposes. The restricted (reserved) portion of net assets/fund balances is available only for expenditure for specific purposes due to conditions established by law or the resource provider. The Township's policy is to apply expenditures against restricted resources, when applicable, before using unrestricted resources.

E) Accounts Receivable - Property taxes and other accounts receivable are shown net of any allowance for amounts that the Township believes will be uncollectible. Amounts due from other governments represent accounts receivable from federal, state and local governments.

F) Capital Assets - Capital assets, which include property, equipment, and other assets, are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Township has elected not to retroactively record the value of infrastructure assets.

Types of property generally not recorded as capital assets would include certain office furniture and equipment, and various fire services equipment and turn-out gear.

TOWNSHIP OF BARK RIVER

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets are depreciated using the straight-line method over the following useful lives:

•	Buildings	30 to 50 years
•	Fire vehicles	15 to 20 years
•	Equipment and furnishings	10 to 15 years

Capital assets are recorded as an asset and depreciated for the government-wide financial statements but are not recorded in the governmental fund financial statements. The acquisition of capital assets are reported as an expenditure in the governmental fund financial statements when acquired.

G) Deferred Revenues - Deferred revenues have met the asset recognition criteria but have not met the revenue recognition criteria. Deferred revenues include resources received but not yet earned and accounts receivable not received within the availability period of 60 days.

H) Noncurrent Liabilities - Noncurrent liabilities are reported in the government-wide financial statements but are not reported in the governmental funds financial statements. Proceeds from noncurrent liabilities and payments on those liabilities are recorded as other financing sources and debt service expenditures, respectively, in the governmental funds financial statements.

I) Property Taxes - The Township's annual property tax on real and personal property within the Township is levied on December 1, and is based on the taxable valuation of property as of the preceding December 31. In addition to collecting their own taxes, the Township also acts as collection agent for all over-lapping governments in the Township. The Township's portion of the tax is collected between December 1 and February 28. Delinquent real property taxes are subsequently turned over to the County which maintains a tax revolving fund which permits the County to pay the Township 100% of the delinquent real taxes within approximately two or three months after the delinquency date of February 28.

The Township generally recognizes property taxes as revenue in the year the taxes are levied. Property taxes not meeting the availability criteria are recorded as deferred revenue in the governmental fund financial statements. For the current year the Township levied 1.7146 mills for general operating purposes and .8 mills for debt service.

TOWNSHIP OF BARK RIVER

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J) Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Michigan compiled laws authorize and limit deposits and investments to federally insured financial institutions with offices in the State of Michigan, direct obligations of the United States, certain obligations of the State of Michigan or its' political subdivisions, specific investment grade short-term commercial paper, bankers acceptances of United States banks and mutual funds investing in authorized investment types.

The Township's investment policy requires that the Township invest excess monies in interest bearing accounts or certificates of federally insured banks located in the State of Michigan and is in compliance with statutory requirements established by the State.

Cash deposits are recorded at cost. During the past year, cash balances deposited have exceeded the maximum federally insured deposit levels. Cash balances as of March 31, 2006 consisted of the following:

Noninterest bearing checking accounts	\$ 355
Interest bearing accounts	169,847
Interest bearing short-term deposits	<u>82,615</u>
	\$ <u>252,817</u>

Total uninsured and unsecured deposits as of March 31, 2006 amounted to \$155,231, based on actual bank balances on that date of \$255,586.

TOWNSHIP OF BARK RIVER

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

NOTE 3 - CAPITAL ASSETS

The following summarizes capital asset activity for the year ended March 31, 2006:

	<u>Balance April 1, 2005</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Balance March 31, 2006</u>
Nondepreciated Capital Assets:				
Land	\$ 29,300	\$ -	\$ -	\$ 29,300
Depreciated Capital Assets:				
General government:				
Land improvements	10,000	-	-	10,000
Buildings and improvements	631,863	10,345	-	642,208
Equipment and furnishings	40,000	7,955	-	47,955
Fire activity:				
Land improvements	5,000	-	-	5,000
Buildings and improvements	369,600	-	-	369,600
Vehicles	427,733	10,300	-	438,033
Equipment	5,985	8,805	-	14,790
Recreation activity:				
Land improvements	10,000	-	-	10,000
Buildings and improvements	70,900	-	-	70,900
Equipment	<u>25,418</u>	<u>-</u>	<u>-</u>	<u>25,418</u>
Total Cost	<u>1,625,799</u>	<u>37,405</u>	<u>-</u>	<u>1,663,204</u>
Accumulated Depreciation:				
Land improvements	25,000	-	-	25,000
Building and improvements	183,964	23,307	-	207,271
Vehicles	65,342	24,801	-	90,143
Equipment and furnishings	<u>27,385</u>	<u>5,609</u>	<u>-</u>	<u>32,994</u>
Total Accumulated	<u>301,691</u>	<u>53,717</u>	<u>-</u>	<u>355,408</u>
Net Capital Assets	<u>\$1,324,108</u>	(\$ <u>16,312</u>)	<u>\$ -</u>	<u>\$1,307,796</u>

TOWNSHIP OF BARK RIVER

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

NOTE 3 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to the following functions in the Township's Statement of Activities in the government-wide financial statements:

General government	\$ 15,952
Public safety	32,737
Recreation and culture	<u>5,028</u>
	\$ <u>53,717</u>

Capital outlay expenditures were charged to the following functions in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances, consistent with the Township's manner of budgeting for capital outlay:

General government	\$ 18,300
Public Safety	<u>19,105</u>
	\$ <u>37,405</u>

NOTE 4 - DEFERRED REVENUES

As of March 31, 2006, the Township's deferred revenues consisted of the following for the government-wide and governmental funds financial statements:

	<u>Government- wide</u>	<u>Governmental Funds</u>
Taxes receivable	\$ -	\$ 7,942
State revenue sharing receivable	-	8,984
Casino revenue payments received but not expended	<u>12,729</u>	<u>12,729</u>
	\$ <u>12,729</u>	\$ <u>29,655</u>

TOWNSHIP OF BARK RIVER

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

NOTE 5 - NONCURRENT LIABILITIES

Noncurrent liabilities in the government-wide financial statements consist of bonds and notes payable. A summary of changes in these long-term debt amounts is as follows for the year ended March 31, 2006:

	Balance April 1, <u>2005</u>	<u>Additions</u>	<u>Reductions</u>	Balance March 31, <u>2006</u>
Bonds	\$ 300,300	\$ -	\$ 6,000	\$ 294,300
Installment notes	140,000	-	7,500	132,500
Installment contract	<u>13,490</u>	<u>-</u>	<u>4,236</u>	<u>9,254</u>
	<u>\$ 453,790</u>	<u>\$ -</u>	<u>\$ 17,736</u>	<u>\$ 436,054</u>

Bonded debt proceeds were used for the construction of a new fire hall. The unlimited tax general obligation bonded debt is held by the federal government and requires semi-annual interest payments at 4.75% and principal payments on an annual basis.

The installment purchase note proceeds were used for the purchase of fire equipment. The limited tax general obligation notes are held by the federal government and require semi-annual interest payments at a rate of 4.625% and principal payments on an annual basis.

The installment purchase contract was used to acquire equipment and requires annual payments, including interest with an imputed interest rate of 6%.

Principal and interest payments expected to be made through maturity on the bonds and notes are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended March 31, 2007	\$ 18,490	\$ 20,485	\$ 38,975
Year ended March 31, 2008	20,764	19,569	40,333
Year ended March 31, 2009	17,000	18,540	35,540
Year ended March 31, 2010	18,000	17,722	35,722
Year ended March 31, 2011	18,500	16,878	35,378
Five years ended March 31, 2016	103,500	70,710	174,210
Five years ended March 31, 2021	86,500	45,575	132,075
Five years ended March 31, 2026	79,000	27,414	106,414
Five years ended March 31, 2031	<u>74,300</u>	<u>7,037</u>	<u>81,337</u>
	<u>\$ 436,054</u>	<u>\$ 243,930</u>	<u>\$ 679,984</u>

TOWNSHIP OF BARK RIVER

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended March 31, 2006 are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Fund</u>	<u>Transfer Out</u>
General	\$ 21,955	Casino Revenue	\$ 21,955
Nonmajor funds	43,407	General	24,700
		Casino Revenue	17,707
		Cemetery Trust	<u>1,000</u>
	\$ <u>65,362</u>		\$ <u>65,362</u>

Transfers from the Casino Revenue Fund to the General Fund and nonmajor funds were reimbursement of grant expenditures paid by those funds. Transfers from the General Fund and Cemetery Trust Fund to nonmajor funds were to provide operating resources for fire and cemetery operations accounted for in nonmajor funds.

NOTE 7 - EMPLOYEE BENEFIT PLANS

The Township maintains two defined contribution plans which cover substantially all nonseasonal employees meeting the minimum participation age of 18. The plan covering general township employees requires annual contributions at 8% of gross earnings. The second plan covers Board trustees and firemen and requires contributions at 25% gross earnings. Contributions are funded annually based on plan years beginning July 1 and ending June 30. Total contributions paid in the current year were \$5,017.

The Township also maintains a salary deferral plan which permits officers and certain employees to defer salary under section 457 of the Internal Revenue Code. Total deferrals for the year ended March 31, 2006 were \$4,296.

TOWNSHIP OF BARK RIVER

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

NOTE 8 - NET ASSETS/FUND BALANCES

Certain net assets in the government-wide financial statements and fund balances in the governmental fund financial statements are externally restricted (reserved) on a permanent basis or for specific purposes, as follows:

	<u>Government- Wide</u>	<u>Governmental Funds</u>
<u>Major Funds</u>		
Permanently restricted for cemetery care, interest income only available for expenditure	\$ 38,315	\$ 38,315
Restricted (reserved) for debt service	33,866	36,257
Restricted (reserved) for other purposes: Cemetery operations	<u>404</u>	<u>404</u>
Major Fund Restricted (Reserved)	<u>72,585</u>	<u>74,976</u>
<u>Nonmajor Funds</u>		
Restricted (reserved) for other purposes: Law enforcement	7,327	7,327
Roads	<u>5,786</u>	<u>5,786</u>
Nonmajor Fund Restricted (Reserved)	<u>13,113</u>	<u>13,113</u>
Total Restricted (Reserved)	\$ <u>85,698</u>	\$ <u>88,089</u>

NOTE 9 - RISK MANAGEMENT

The Township is exposed to various risk of loss related to torts, theft, accident, errors, omissions, injury and disaster. The Township's principal resource used to manage these risks is through the purchase of commercial property and liability insurance policies.

REQUIRED SUPPLEMENTAL INFORMATION

TOWNSHIP OF BARK RIVER

GENERAL FUND BUDGETARY COMPARISON SCHEDULE - CASH BASIS

For the year ended March 31, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Cash Basis Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ 56,200	\$ 56,200	\$ 56,706	\$ 506
State sources	122,000	122,000	119,650	(2,350)
Charges for services	500	500	5,360	4,860
Interest and rentals	30,500	30,500	22,241	(8,259)
Other	<u>-</u>	<u>-</u>	<u>4,908</u>	<u>4,908</u>
 TOTAL REVENUES	 <u>209,200</u>	 <u>209,200</u>	 <u>208,865</u>	 (<u>335</u>)
Expenditures:				
Legislative	32,000	45,000	25,778	19,222
General government	87,400	98,000	87,413	10,587
Public safety	-	-	253	(253)
Public works	62,000	74,000	61,474	12,526
Recreation and culture	14,900	20,250	18,708	1,542
Debt service	15,100	19,100	19,048	52
Other	<u>30,000</u>	<u>30,000</u>	<u>28,280</u>	<u>1,720</u>
 TOTAL EXPENDITURES	 <u>241,400</u>	 <u>286,350</u>	 <u>240,954</u>	 <u>45,396</u>
 Excess of revenues (expenditures)(	<u>32,200)</u>	 <u>77,150)</u>	 <u>32,089)</u>	 <u>45,061</u>
Other Financing Sources (Uses):				
Transfers in	45,000	45,000	21,955	(23,045)
Transfers out	(<u>23,500)</u>	(<u>30,500)</u>	(<u>24,700)</u>	<u>5,800</u>
 TOTAL OTHER SOURCES (USES)	 <u>21,500</u>	 <u>14,500</u>	 (<u>2,745)</u>	 (<u>17,245)</u>
 Change in Fund Balance	 (10,700)	 (62,650)	 (34,834)	 27,816
Fund Balance, beginning of year	<u>101,229</u>	<u>101,229</u>	<u>101,229</u>	<u>-</u>
 Fund Balance, end of year	 <u>\$ 90,529</u>	 <u>\$ 38,579</u>	 <u>\$ 66,395</u>	 <u>\$ 27,816</u>

TOWNSHIP OF BARK RIVER

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2006

BUDGETARY INFORMATION

The Township prepares annual budgets on a cash basis. A reconciliation of revenues and expenditures between the modified accrual basis of accounting used in the preparation of the governmental funds financial statements and the cash basis of accounting used for budgetary reporting is as follows:

	<u>General Fund</u>	
	<u>Revenues</u>	<u>Expenditures</u>
Amounts reported on modified accrual basis	\$ 229,025	\$ 279,759
Cash basis adjustments:		
Current year change in accounts receivable	(1,105)	-
Equipment contributions	(19,055)	(19,055)
Current year change in accounts payable	<u>-</u>	(<u>19,750</u>)
Cash basis amounts	\$ <u>208,865</u>	\$ <u>240,954</u>

Budgetary comparisons are required supplemental information for the General Fund and major special revenue funds only. The Township did not prepare budgets for the Fire Equipment and Casino Revenue special revenue funds.

Budgetary comparison schedules for other major and nonmajor governmental funds with adopted budgets are included in the other supplemental information section of the annual report.

EXCESS EXPENDITURES

Expenditures in excess of budgeted amounts are a violation of Michigan law. Excess expenditures were incurred by the Township in the following budget lines:

<u>Fund</u>	<u>Activity</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Excess Expenditures</u>
General	Fire	\$ -	\$ 253	\$ 253
General	Cemetery	-	374	374

OTHER SUPPLEMENTAL INFORMATION

TOWNSHIP OF BARK RIVER

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

March 31, 2006

	Fire Operations Fund	Cemetery Operations Fund	Liquor Law Enforcement Fund	Building Fund	Road Fund	Total
ASSETS						
Cash	\$ 212	\$ 438	\$ 7,327	\$ 23,459	\$ 5,786	\$ 37,222
FUND BALANCES						
Reserved for special purposes	\$ -	\$ -	\$ 7,327	\$ -	\$ 5,786	\$ 13,113
Unrestricted	212	438	-	23,459	-	24,109
	\$ 212	\$ 438	\$ 7,327	\$ 23,459	\$ 5,786	\$ 37,222

TOWNSHIP OF BARK RIVER

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended March 31, 2006

	Fire Operations Fund	Cemetery Operations Fund	Liquor Law Enforcement Fund	Building Fund	Road Fund	Total
Revenues:						
State sources	\$ -	\$ -	\$ 1,022	\$ -	\$ 3,261	\$ 4,283
Charges for services	-	3,700	-	-	-	3,700
Interest and rentals	-	-	48	449	-	497
Other	<u>758</u>	<u>4,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,765</u>
	<u>758</u>	<u>7,707</u>	<u>1,070</u>	<u>449</u>	<u>3,261</u>	<u>13,245</u>
Expenditures:						
General government	-	23,206	-	-	-	23,206
Public safety	<u>29,634</u>	<u>-</u>	<u>2,400</u>	<u>-</u>	<u>-</u>	<u>32,034</u>
	<u>29,634</u>	<u>23,206</u>	<u>2,400</u>	<u>-</u>	<u>-</u>	<u>55,240</u>
Excess of Revenues (Expenditures)	(28,876)	(15,499)	(1,330)	449	3,261	(41,995)
Other Financing Sources (Uses):						
Transfers in	<u>28,505</u>	<u>14,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,407</u>
Change in Fund Balances	(371)	(597)	(1,330)	449	3,261	1,412
Fund Balances, beginning of year	<u>583</u>	<u>1,035</u>	<u>8,657</u>	<u>23,010</u>	<u>2,525</u>	<u>35,810</u>
Fund Balances, end of year	<u><u>212</u></u>	<u><u>438</u></u>	<u><u>7,327</u></u>	<u><u>23,459</u></u>	<u><u>5,786</u></u>	<u><u>37,222</u></u>

TOWNSHIP OF BARK RIVER

GENERAL FUND REVENUE BUDGETARY COMPARISON SCHEDULE - CASH BASIS

For the year ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Taxes:			
Current property taxes	\$ 50,000	\$ 44,555	(\$ 5,445)
Delinquent taxes, penalties, and interest	4,000	4,403	403
Property tax administrative fees	-	5,469	5,469
Other taxes	2,200	2,279	79
State Sources:			
Revenue sharing	122,000	119,650	(2,350)
Charges for Services:			
Fire fees	-	5,000	5,000
Other fees	500	360	(140)
Interest and Rentals:			
Interest income	500	1,006	506
Hall rentals	30,000	21,235	(8,765)
Other:			
Miscellaneous	<u>-</u>	<u>4,908</u>	<u>4,908</u>
	\$ <u>209,200</u>	\$ <u>208,865</u>	(\$ <u>335</u>)

TOWNSHIP OF BARK RIVER

GENERAL FUND EXPENDITURE BUDGETARY COMPARISON
SCHEDULE - CASH BASIS

For the year ended March 31, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Legislative:				
Township Board	\$ 32,000	\$ 45,000	\$ 25,778	\$ 19,222
General Government:				
Township Supervisor/Assessor	20,000	20,200	18,657	1,543
Township Clerk	12,000	12,000	10,436	1,564
Township Treasurer	11,000	11,200	11,170	30
Township hall	40,000	50,000	44,570	5,430
Board of review	1,400	1,450	1,183	267
Planning and zoning	2,000	2,000	530	1,470
Elections	1,000	1,150	493	657
Cemetery	-	-	374	(374)
Public Safety:				
Fire protection	-	-	253	(253)
Public Works:				
Street lighting	12,000	12,000	9,666	2,334
Roads	40,000	52,000	51,808	192
Sewer study	10,000	10,000	-	10,000
Recreation and Culture:				
Recreation	14,900	20,250	18,708	1,542
Debt Service:				
Principal and interest	15,100	19,100	19,048	52
Other:				
Insurance	24,000	24,000	22,575	1,425
Social security	500	500	328	172
Retirement plan	<u>5,500</u>	<u>5,500</u>	<u>5,377</u>	<u>123</u>
	\$ <u>241,400</u>	\$ <u>286,350</u>	\$ <u>240,954</u>	\$ <u>45,396</u>

TOWNSHIP OF BARK RIVER

FIRE OPERATIONS FUND BUDGETARY COMPARISON SCHEDULE - CASH BASIS

For the year ended March 31, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:				
Charges for service	\$ 4,000	\$ 4,000	\$ -	(\$ 4,000)
Other	<u>-</u>	<u>-</u>	<u>758</u>	<u>758</u>
	<u>4,000</u>	<u>4,000</u>	<u>758</u>	(<u>3,242</u>)
Expenditures:				
Public safety-				
Fire operations	<u>24,100</u>	<u>31,150</u>	<u>29,634</u>	<u>1,516</u>
Excess of revenues (expenditures) (	20,100)	(27,150)	(28,876)	(1,726)
Other Financing Sources (Uses):				
Transfers in	<u>20,000</u>	<u>27,000</u>	<u>28,505</u>	<u>1,505</u>
Change in Fund Balance	(100)	(150)	(371)	(221)
Fund balance, beginning of year	<u>583</u>	<u>583</u>	<u>583</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>483</u></u>	\$ <u><u>433</u></u>	\$ <u><u>212</u></u>	(\$ <u><u>221</u></u>)

TOWNSHIP OF BARK RIVER

CEMETERY OPERATIONS FUND BUDGETARY COMPARISON SCHEDULE - CASH BASIS

For the year ended March 31, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 5,500	\$ 5,500	\$ 3,700	(\$ 1,800)
Other	<u>-</u>	<u>-</u>	<u>4,007</u>	<u>4,007</u>
	<u>5,500</u>	<u>5,500</u>	<u>7,707</u>	<u>2,207</u>
Expenditures:				
General government- Cemetery operation	<u>11,950</u>	<u>26,750</u>	<u>23,206</u>	<u>3,544</u>
Excess of revenues (expenditures) (	6,450)	(21,250)	(15,499)	5,751
Other Financing Sources (Uses):				
Transfers in	<u>5,500</u>	<u>20,500</u>	<u>14,902</u>	(<u>5,598</u>)
Change in Fund Balance	(950)	(750)	(597)	153
Fund balance, beginning of year	<u>1,035</u>	<u>1,035</u>	<u>1,035</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>85</u></u>	\$ <u><u>285</u></u>	\$ <u><u>438</u></u>	\$ <u><u>153</u></u>

TOWNSHIP OF BARK RIVER

LIQUOR LAW ENFORCEMENT FUND BUDGETARY COMPARISON
SCHEDULE - CASH BASIS

For the year ended March 31, 2006

	<u>Original Budget</u>	<u>Cash Basis Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
State source	\$ 1,000	\$ 1,022	\$ 22
Interest	<u>-</u>	<u>48</u>	<u>48</u>
	<u>1,000</u>	<u>1,070</u>	<u>70</u>
Expenditures:			
Public safety-			
Law enforcement	<u>3,150</u>	<u>2,400</u>	<u>750</u>
Excess of revenues (expenditures)	(2,150)	(1,330)	820
Fund balance, beginning of year	<u>8,657</u>	<u>8,657</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>6,507</u></u>	\$ <u><u>7,327</u></u>	\$ <u><u>820</u></u>

TOWNSHIP OF BARK RIVER

FIRE HALL DEBT FUND BUDGETARY COMPARISON SCHEDULE - CASH BASIS

For the year ended March 31, 2006

	<u>Original Budget</u>	<u>Cash Basis Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ <u>19,900</u>	\$ <u>22,824</u>	\$ <u>2,924</u>
Expenditures:			
Debt service-			
Principal	6,000	6,000	-
Interest	<u>15,000</u>	<u>14,122</u>	<u>878</u>
	<u>21,000</u>	<u>20,122</u>	<u>878</u>
Change in Fund Balance	(1,100)	2,702	3,802
Fund balance, beginning of year	<u>33,555</u>	<u>33,555</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>32,455</u></u>	\$ <u><u>36,257</u></u>	\$ <u><u>3,802</u></u>